

**Adjourned Regular Minutes
Council/RDA Meeting
City Council/Redevelopment Agency Meeting
City of Huntington Beach**

Monday, January 09, 2006
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**A videotape of the 6:00 p.m. portion of this meeting
is on file in the Office of the City Clerk.**

Call to Order

Mayor Sullivan called the adjourned regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 6:03 p.m. in the Council Chambers.

City Council/Redevelopment Agency Meeting Roll Call

Present: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook.
Absent: None.

Pledge of Allegiance - Led by Councilmember Hardy

Invocation - Led by Reverend Peggy Price, Interfaith Council of Greater Huntington Beach

The City Clerk Announced Late Communications

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

Communication submitted by Billy Owens of Poseidon Resources dated January 9, 2006 and titled *Poseidon Resources Corporation Agreement to Extension Government Code Section 65950 Time Limits*.

Communication submitted by Tim Geddes dated January 8, 2006 titled *Continuing the Poseidon Vote*.

Eighty communications submitted by the following in opposition to the Poseidon project: Garry Brown, Executive Director, Orange County Coastkeeper, Carlo Vapor, M. Huffill, Paul S. Cross, Melody Christensen, Fred Galluccio, MD, Marinka Horack, Jan Vandersloot, MD, Debbie DeMeulle, Franz Berghammer, Louise & Profull Gupta, Pete Bonacic, Unknown, Darnell Wyrick, President, Mesa Verde Community, Inc., Lorraine El-Ahraf, Warren & Shirley Biscailuz, Donna Allison, Dr. Amer El-Ahraf, Jan Campbell, Don Howarth, Daniel Horgan, Trojan Home Loans, Barbara Kanemura, Laurent & Therese

Hart, Kenneth Killian, Joe Greever, Southern California Regional Manager, Surfrider Foundation, Michael Czerniachowski, Senior Manager, Boeing Huntington Beach, Fuzzymem, Shawn Macha, Kerry Roth-Samaniego, Bryan Visnoski, David Guido, President, Huntington Beach Tomorrow, John & Kay Louer, Sylvia Visnoski, Geoff Rudy, Bruce J. Brandt, Ed Moynagh, Ric Button (2), Rose Butts, Edward DeMeulle, Mary Jo Baretich, Anita Khalap, Shirley Swagerty, Michelle Africano, Richard Whittington, Sonne Idelshon, Michael Hyams, Michele Yorde, Jim McCarty, Diane & Henry Castignetti, Kiersta & Scott Poe, William Carroll, Lillian Richmond, Jason Shelton, Customer Service Director, Quicksilver, Inc., Jon Atkinson, Steve Yorde, Charles & Maryann Rozzelle, Fred Barla, Marty & Cindy Jimenez, Jim Moreno, Bernice Malkin, Jim & Susanna Prentice, Mortimer & Janice Shea, John Howell, Linda & Roy Guite (2), Guy Adams, Nancy Buchoz, Barry Repsher, Joan F. Clark, Glenn & Janet, Danielle Legere, S. Murph, Diane & Curtis Stelley, Hadeel El-Ahraf, Firmin Boul, Carolyn Ross, Marion Armijo, Bill Derksen, Susan Willauer, Charles & Suzanne Rosen, and Marlene Zusman.

Twenty-three communications submitted by the following in support of the Poseidon project: David Womble, David R. Hoskins, Donna Little, Harvey Levin, David W. De Guise, Mike Archambo, Jamene Trautman, Edward Reynolds, Richard Foster, Michael & April Masterpole, Stephen Marciniac, Tom Stewart, David Kobel, Lindsay Viers, Teresa Bercher, Jessica Maddux, Steve Hollowell, Travis Spencer, Kay Stewart, Phillip & Judith Smith, Joyce Riddell, President, Huntington Beach Chamber of Commerce, Terry Ehlers, and Clara Reed.

Communication submitted by Joe Geever, Surfrider Foundation dated January 9, 2006 and titled *Poseidon OPA and Potential FREIR Deficiencies*.

PowerPoint report submitted by Deputy City Administrator Paul Emery dated January 9, 2006 and titled *Late Communication Item D-2, January 9, 2006 PowerPoint and Amendment to Attachment 2*.

The Following Communications Were Submitted During the Meeting:

Communication submitted by Joseph Mastropaolo dated January 9, 2006 and titled *The Poseidon Desalination Project will Ruin Huntington Beach*.

Communication submitted by Mike & Sharon Talbutt dated January 9, 2006, untitled, in support of the proposed Poseidon Desalination Plant.

PowerPoint report submitted by Jan Vandersloot, MD, undated, titled *Poseidon AES Urban Runoff Connection*.

PowerPoint report submitted by Robert Harrison dated January 9, 2006 titled *HB Water Treatment Facility*.

A reproduction of a sign posted by the Orange County Environmental Health Division pertaining to bacterial levels in ocean water submitted by Larry Porter.

(City Council) Public Hearing Continued to February 27, 2006 - Conditional Use Permit (CUP) No. 02-04 and Coastal Development Permit (CDP) 02-05 for Seawater Desalination Project (Poseidon); CEQA Statement of Findings of Facts with a Statement of Overriding Considerations; and, the Mitigation Monitoring and Reporting Program - Continued from November 21, 2005 (420.40)

Mayor Sullivan asked for a motion or discussion regarding consideration of the two public hearings on the agenda. Councilmember Bohr suggested staff present their report and the applicant present a PowerPoint report, followed by a motion to continue the public hearing to a Special meeting on February 27, 2006.

Mayor Sullivan asked the City Attorney for her opinion. City Attorney Jennifer McGrath indicated that the public hearing must be opened for the applicant to be given an opportunity to speak on the record.

Mayor Pro Tem Coerper asked for clarification on the request for 90-day extension. Attorney McGrath stated that staff has not requested an extension. City Administrator Penny Culbreth-Graft clarified that a letter was received from Poseidon pertaining to an extension, however staff did not request a continuance of the CUP.

Councilmember Green asked that the meeting be scheduled no later than February 27th. Councilmember Cook voiced her opinion that if a staff report is given, then public comments should follow. Attorney McGrath explained that if any action is taken tonight, the opportunity for Public Comments is required.

Councilmember Bohr stated for clarification that his intent is to disseminate more information to the public, as quickly as possible. Councilmember Hansen asked for further clarification on public hearing procedures, and Attorney McGrath explained that only the scheduling of a public hearing may be discussed prior to Public Comments.

Mayor Pro Tem Coerper inquired what is the latest date the Poseidon item may be reviewed. Attorney McGrath reported that the latest date to hold the public hearing to adhere to permit streamlining requirements, absent a request for extension from applicant, is February 27, 2006.

Council requested a Poseidon representative comment on the proposed timeline for discussion of the project. Billy Owens, representing Poseidon Resources, declared Poseidon's intention was to allow written consent for the City to go beyond the permit deadline, but that Poseidon is not asking for a continuance.

Councilmember Cook voiced her opinion that the item may not be continued without the request of the applicant, Poseidon Resources.

John Erskine, Attorney with Poseidon Resources, echoed Poseidon's willingness to extend the public hearing to a later date, but restated that Poseidon is not asking for a continuance.

Mayor Pro Tem Coerper stated his discomfort with extending the hearing date without a request from the applicant. Councilmember Bohr confirmed that his intention was not to extend the date on the CUP. Councilmember Hansen stated his reasons for supporting a motion to continue the public hearing to a later date.

Councilmember Bohr asked the applicant if the PowerPoint report pertaining to the proposed pipeline is available for distribution to the public. Billy Owens, Poseidon Resources, agreed to submit the report to the City Clerk for public access.

Mayor Pro Tem Coerper asked if Poseidon would be returning to request an extension to the deadline. Mr. Owens stated no letter would be submitted requesting an extension unless one is requested by Council. He clarified that his intent is to return to Council with the property owner's signature on the applications. Attorney McGrath explained that the deadline is applicable to the CUP and not the OPA.

A motion was made by Bohr, second Hansen to continue the public hearing to consider the Conditional Use Permit (CUP) No. 02-04, Coastal Development Permit (CDP) No. 02-05 for Seawater Desalination Project (Poseidon), CEQA Statement of Findings of Facts with a Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program until February 27th. The motion carried by the following roll call vote:

AYES: Bohr, Green, Sullivan, Hardy, Hansen, and Cook
NOES: None
ABSTAIN: Coerper

(Redevelopment Agency/City Council) Public Hearing Continued to February 27, 2006 - Consideration of an Owner Participation Agreement (OPA) By and Between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources Corporation Regarding Development of a Seawater Desalination Plant. - Continued from November 21, 2005 (600.30)

A motion was made by Bohr, second Green to continue the public hearing for consideration of an Owner Participation Agreement (OPA) by and between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources Corporation regarding development of a Seawater Desalination Plant to February 27, 2006 at 6 pm. The motion carried by the following roll call vote:

AYES: Bohr, Green, Sullivan, Hardy, Hansen, and Cook
NOES: Coerper

Mayor Sullivan requested that when the two agenda items pertaining to Poseidon Resources return to Council, they return as one public hearing item. He also explained that the public hearing would not be opened at this meeting, nor would any decisions be made on the matter.

Mayor Sullivan clarified that Public Comments made at this meeting would not be a part of the public hearing record since the public hearing would not be opened.

Public Comments

Fred Speaker, resident since 1969, voiced his support for the Poseidon project, stating that a recent visit to the Hoover Dam showed him that the water levels were down 26 feet. He asked Council to vote to approve the project.

Pete Minko voiced his disappointment that Council voted to postpone the decision on the desalination plant, and that Poseidon was unprepared. He stated his intention to speak before Council when the item returns for public hearing.

Dorothy Grubbs, 40 year resident, spoke in opposition to the Poseidon project, referring to the project as a "boondoggle." She stated her opinion that the area already has too much noise, pollution, and traffic. Ms. Grubbs asked Council to wait until the company proves successful in a different city before approving the project.

Charles Griffin stated his opinion that the City cannot tolerate more carbon monoxide emissions, which he said would be created by additional energy uses required by an industrial plant. He asked Council to persuade companies to join together in exploring different energy sources such as hydrogen to run industrial plants.

Joseph Mastropaoulo spoke in opposition to the Poseidon project, voicing his concerns about the negative effects on the environment, residents and tourists. He asked Council to vote "No" on the project.

Randy Kokal asked Council to think long-term when making a decision on the Poseidon project. He spoke regarding generating resources that do not ultimately benefit the City.

Nancy Donaven referred to a letter submitted to Council by Dr. Vandersloot. She asked the City to investigate polluted water in the area and the potential upgrade of the AES plant.

Topper Horack gave a PowerPoint presentation pertaining to the Statement of Overriding Considerations within the Poseidon Environmental Impact Report. He spoke regarding the Newport/Inglewood fault and the positioning of the AES plant on the fault. He also stated opinions regarding the AQMD's report and noxious emissions. Mr. Horack asked Council to confirm the rescheduled date for the public hearing on Poseidon.

Councilmember Cook spoke regarding a recent mailer received by residents and clarified that the City had no involvement in creating or distributing the mailer. She also indicated that postponements of the public hearing are determined by the applicant.

Edward Chapman, resident, voiced his opposition to the Poseidon project stating that the benefits offered by Poseidon to the City are inadequate. He suggested Council include a provision in any agreement that the City has first rights to the water.

John Earl, affiliated with Residents for Responsible Desalination, spoke in opposition to the Poseidon project, stating that the delays should be an indication to vote for denial.

Don Mac Allister stated his opinion that Council made the right decision in continuing the Poseidon public hearings. He asked Council to vote in favor of the project.

Teddi Alves, 33 year resident, spoke in opposition to additional industrial projects in the City. She stated her concerns that the project and applicant are corrupt. Mayor Sullivan commented on the process, stating that City staff received an application for the project and considered it professionally.

Bob Harrison, 36 year resident, gave a PowerPoint report detailing reasons to support the Poseidon project including income to the City, additional jobs, and improvements to the area.

Noble Waite stated his support for a new water source in the area. He spoke about his experience working for the water districts, and stated new sources of water left for the City are recycled and desalinated water. Mr. Waite asked Council to vote in favor of the project.

Dean Albright stated that the Sports Complex is another example of a "boondoggle." He referred to two diagrams he distributed to Council and a pipeline map he posted on the wall. Mr. Albright voiced his opinion that the City does not need the water that would be supplied by the Poseidon project.

Larry Porter, affiliated with Resident for Responsible Desalination, urged Council to deny the Poseidon Resources application. He asked Council to reconsider and decertify the EIR. Mr. Porter provided visuals including an overhead drawing and a sign warning of contaminated water, and asked Council to deny the CUP.

Firecracker Westwell spoke in favor of the Poseidon project, stating the environmental impacts are insignificant. He gave examples of claims being made about environmental impacts, refuting the negative impact. Mr. Westwell urged Council to vote "Yes" on the project.

Randy Fuhrman asked those Councilmembers who vote "Yes" on the project to explain their reasoning to the residents at a public meeting. He voiced concerns that tourism will be negatively affected by an additional industrial plant in the area.

Lynda Hernandez, affiliated with Residents for Responsible Desalination, spoke regarding a mailer she received, asking how the proposed benefits can be guaranteed if the agreement has yet to be accepted by Council. She stated concerns about the City's ability to receive property taxes should the project becomes a public facility. Ms. Hernandez also referred to an article in the Huntington Beach Independent, expressing concerns about a potential lawsuit. She asked Council to vote to deny the CUP and the OPA.

Herb Duysings, 36 year resident, stated he is not opposed to desalination but is opposed to the Poseidon Resources project. He voiced concern about the Florida desalination project and urged Council to vote "No."

Christine Padesky spoke regarding a mailer she received. She stated concerns that the City will not receive the water produced by the plant and about liabilities to the City if the project is approved and then fails. Ms. Padesky urged Councilmembers to deny the project.

Guy Adams spoke in opposition to the Poseidon project. He voiced his opinion that the City does not need to be burdened with supplying water to anyone who wants to build houses in the area. Mr. Adams asked Council to vote "No" on the project.

Anna Shaber, Newport Beach resident affiliated with the Green Party, voiced her opinion that water supplied by Poseidon would be inadequate. She stated concerns about health, water quality, and living standards and asked Council to vote "No" on the project.

Bob Polkow spoke in support of the Poseidon project. He stated he has experience in acquisitions, and that there is a prohibition at the Federal level not to use public funds to compete with private enterprise. Mr. Polkow urged Council to vote to approve the project.

Gus Mau stated his opposition to the privatization of water and to the Poseidon project. He voiced his opinion that tax funds would be realized by the City whether the utility is public or private.

Virginia Sims stated her concern about comments made by another member of the public. She spoke in support of the project, and asked other members of the public to act with courtesy to one another.

Dallas E. Weaver, PhD, southeast resident, stated he has expertise in the aquatic environment and that the energy issue should be considered on a relative basis.

Marinka Horack urged Council to vote "No" on the Poseidon project. She voiced concern with potential liabilities to the City. Ms. Horack referred to a recent article in the Huntington Beach Independent pertaining to property values and asked Council to protect the beaches and property values of the southeast area.

Tim Geddes, southeast resident, stated he was prepared to give a presentation, but will defer it to the date when the Poseidon public hearing is opened. He spoke regarding a mailer he recently received, refuting benefits of the project listed on the mailer.

Councilmember Green asked Mr. Geddes about an email she received from him regarding a request to continue the item. Mr. Geddes declined to name the source of his information.

Mayor Pro Tem Coerper asked for clarification on speaker comments and the public hearing record. City Clerk Joan L. Flynn responded, stating that the comments will not be part of the public hearing record since the public hearing was not opened.

Marion Armijo spoke in opposition to the Poseidon project. She urged Council to vote to deny the project, citing environmental and health concerns.

Rex Ricks spoke in opposition to the proposed Poseidon project. He inquired about the lack of competition for the project, and suggested the plant be built in Newport Harbour.

Jack Adams, 30 year resident, thanked Councilmembers Hardy and Cook for their consistency in voting. He spoke regarding campaign contributions some Councilmembers received from Poseidon and urged Council to vote "No" on the project.

Loit Kaskla, southeast resident, spoke regarding campaign contributions received by some Councilmembers.

Councilmember Bohr announced that the largest donor in his campaign was himself.

Mayor Sullivan voiced his opinion that Councilmembers have enough integrity to ensure that campaign donations would not affect their decisions.

Councilmember Green commented on donations made by Councilmember Bohr to various causes and stated her confidence in the decisions of Councilmembers Bohr and Hansen.

Jan Vandersloot presented a PowerPoint report which he said details a Poseidon-AES-urban runoff connection. He alleged that contaminated water will be diverted rather than treated. He also spoke regarding dye studies conducted in relation to the AES plant, and contaminated water. Mr. Vandersloot recommended Council require runoff from the Poseidon plant be diverted to the sanitation plant.

Carol Hughes, resident since 1973, voiced her concerns with the proposed Poseidon project including environmental, the Tampa Bay project, and potential damage to tourism.

(City Council) Councilmember Cook Reported on Her Upcoming Attendance at a Conference in Salt Lake City. (120.85)

Councilmember Debbie Cook reported that she would be attending a Conference in Salt Lake City pertaining to the water/energy nexus for the next two days.

(City Council) Mayor Pro Tem Coerper Reported on the Funeral for Officer Nick Ekovich, Attendance at an Event at the Los Alamitos Air Base, and Thanked Councilmember for Donations to the "3/1" (120.85)

Mayor Pro Tem Gil Coerper reported on the funeral for Officer Nick Ekovich stating there were over 300 attendees. He thanked the Councilmembers who attended, and asked citizens to put together a memorial for Mr. Ekovich. The Mayor Pro Tem announced his attendance at the change in command for the 40th division at the Los Alamitos Air Base. He also thanked Councilmember Bohr for his donations to the 3/1 Committee.

(City Council) Councilmember Green Made an Announcement about Officer Ekovich Memorial (120.85)

Councilmember Cathy Green announced that Police Officer Knorr is creating a memorial for Officer Nick Ekovich, and the memorial will be dedicated soon.

(City Council) Mayor Sullivan Announced his Attendance at 100th Anniversary of Community United Methodist Church (120.85)

Mayor Dave Sullivan announced that he attended the 100th anniversary of the Community United Methodist Church.

Adjournment - City Council/Redevelopment Agency

Mayor Sullivan adjourned the adjourned regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach at 8:25 p.m. to Tuesday, January 17, 2006, at 4:00 p.m., in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

City Clerk-Clerk

Mayor-Chair